

Memorandum

Date : January 5, 2005
Telephone: (916) 653-1245

To : John Geesman, Presiding Member
All Parties 03-AFC-01

File: AQ Errata

From : California Energy Commission - James W. Reede, Jr., Ed.D
1516 Ninth Street
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Siting Project Manager



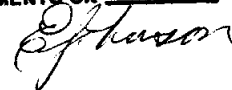
Subject : Subject – Air Quality Errata to the Roseville Energy Park FSA

Attached are Errata to the staff testimony regarding Air Quality.

DOCKET	
03-AFC-1	
DATE	JAN 05 2005
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Cc: Roseville POS

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AIR QUALITY ERRATA

Joseph M. Loyer

INTRODUCTION

Staff inadvertently neglected to incorporate several changes suggested by Roseville Electric (RE) to staff proposed Conditions of Certification AQ-SC4 and AQ-SC5 for the Roseville Energy Park (REP). Staff agreed to these suggested changes in a prior workshop with RE. Additionally, staff has been requested by RE to respond to their comments on Conditions of Certification AQ-SC6 and AQ-SC7. Finally, Staff suggests modifications to Condition of Certification AQ-SC7 to ease the burden of reporting on RE.

Additionally, staff proposes to add Condition of Certification AQ-SC13. This Condition allows the Energy Commission CPM to make minor modifications to any Condition without going through the formal amendment process.

COMMENTS AND STAFF RESPONSES

AQ-SC4 AND 5

Staff stipulates to the following RE recommendations made for Conditions of Certification AQ-SC4 and 5.

AQ-SC4 The AQCMM shall continuously monitor the construction activities for visible dust plumes. Observations of visible dust plumes that have the potential to be transported ~~(1)~~ off the project site and (1) or (2) 200 feet beyond the centerline of the construction of linear facilities or (2) ~~(3)~~ within 100 feet upwind of any regularly occupied structures not owned by the project owner indicate that existing mitigation measures are not resulting in effective mitigation. The AQCMM shall implement the following procedures for additional mitigation measures in the event that such visible dust plumes are observed:

- Step 1: The AQCMM shall direct more intensive application of the existing mitigation methods within 15 minutes of making such a determination.
- Step 2: The AQCMM shall direct implementation of additional methods of dust suppression if step 1 specified above fails to result in adequate mitigation within 30 minutes of the original determination.
- Step 3: The AQCMM shall direct a temporary shutdown of the activity causing the emissions if step 2 specified above fails to result in effective mitigation within one hour of the original determination. The activity shall not restart until the AQCMM is satisfied that appropriate additional mitigation or other site conditions have changed so that visual dust plumes will not result upon restarting the shutdown source. The owner/operator may appeal to the CPM any directive from the AQCMM to shut down an activity, provided that the shutdown shall go into effect within one hour of the original determination, unless overruled by the CPM before that time.

Verification: The AQCMP shall include a section in the monthly compliance report detailing all observances by the AQCMP and mitigation actions taken.

AQ-SC5 The project owner shall submit to the CPM for review and approval any modification proposed by the project owner to any project air permit. The project owner shall submit to the CPM any modification to any permit proposed by the District or U.S. EPA, and any revised permit issued by the District or U.S. EPA, for the project.

Verification: The project owner shall submit any proposed air permit modification to the CPM within five working days of its submittal either by 1) the project owner to an agency, or 2) receipt of proposed modifications from an agency. The project owner shall submit all modified air permits to the CPM within 15 days of receipt.

AQ-SC6: REQUIREMENT FOR QUARTERLY REPORTING

RE Comment

In their comments on the preliminary staff assessment, RE recommends that the Condition of Certification AQ-SC6 be deleted as overly burdensome and unnecessary for the demonstration of compliance of the Conditions of Certification. RE contends that the Placer County Air Pollution Control District (District) Determination of Compliance (DOC) has sufficient reporting requirements to ensure compliance with all applicable regulations. RE further contends that, when the plant becomes operational, a Title V operating permit will contain additional compliance monitoring requirements. RE suggests that all Conditions of Certification referencing AQ-SC6 be re-written to require no further reporting than that required by the District.

For clarity, Condition AQ-SC6 is repeated here:

AQ-SC6 The project owner shall maintain records of fuel use, emission and operational data sufficient to demonstrate compliance with the Conditions of Certification referenced herein.

Verification: The project owner shall submit to the CPM Quarterly Air Quality Reports no later than 30 days after the end of each calendar quarter.

Staff Response

The Energy Commission, as lead agency under the California Environmental Quality Act (CEQA) and in accordance with Public Resources Code § 25532, must establish a monitoring system to verify compliance with all Conditions of Certification in the Commission Decision. Condition of Certification AQ-SC6 requires RE to submit Quarterly Air Quality Reports to the Energy Commission for approval. The verification of nearly 50

Conditions of Certification is provided for with the Quarterly Air Quality Report by reference. The deletion of Condition AQ-SC6 would require staff to re-write the verifications of each Condition referencing Condition AQ-SC6. RE is proposing that those verifications should be re-written to require no reporting to the Energy Commission, but should rely exclusively and blindly on the Air District to ensure compliance. This would require the District to report to the Energy Commission on a quarterly basis and would require the Energy Commission to formally delegate its authority to the District. The Energy Commission is not engaged in discussions with the District to delegate the authority to verify compliance with the Conditions of Certification in the Commission Decision. Therefore, the Energy Commission must verify compliance with the Conditions of Certification in the Commission Decision.

The conditions within the DOC rely heavily on the District's ability to perform periodic on site record inspections. While RE is required to make and keep the necessary records of the REP operations on site to demonstrate compliance, they are not required to report this information to the District except in the case of an excess emission. When there are no excess emissions, RE is only required to submit a negative declaration. Finally, there is no requirement in the DOC for the District to report any information the Energy Commission.

Under a Title V Permit, a permitted source is generally required to report twice a year, with prompt reporting of any deviations from permit requirements. All required monitoring data must be submitted. In the case of REP, this would most likely be limited to the data from the continuous emissions monitoring system (CEMS). The REP CEMS generally monitors fuel use, power output, O₂, NO_x and CO emissions, the status of the turbines and HRSGs and can include indications of startups or shutdowns. Emissions of CO₂ and SO₂ might also be required for reporting. Absent will be reporting requirements for ammonia, VOC and PM₁₀ emissions as well as all emissions from devices such as the cooling tower, the emergency IC engine and the firewater pump. Finally, there will be no requirement to report any information to the Energy Commission in the Title V Permit.

Since RE did not specifically identify how Condition AQ-SC6 was overly burdensome, staff can not directly respond to their concerns. However, staff does point out that the information required in the Quarterly Air Quality Report is the same information that RE will be recording and making available for on site inspections and is virtually the same reporting requirements as for every other project licensed by the Energy Commission.

AQ-SC7: GREENHOUSE GAS REPORTING

RE Comment

RE contends that the reporting requirements in Condition of Certification AQ-SC7 are not supported any regulatory scheme, nor is necessary to mitigation any significant impact. RE further contends that Condition AQ-SC7 should be deleted as it is overly burdensome.

For clarity, Condition AQ-SC7 is repeated here:

AQ-SC7 The project owner shall report to the CPM the quantities of each greenhouse gas (GHG) emitted on an quarterly basis as a result of facility operation. GHG emissions shall be reported as equivalent CO₂ pounds. The identification of each GHG and the method to estimate CO₂ equivalent emissions shall conform to the California Climate Action Registry General Reporting Protocol for power plants.

Verification: GHG emissions shall be reported to the CPM as part of the Quarterly Air Quality Reports required by Condition of Certification AQ-SC6.

Staff Response

Senate Bill 1389 (SB 1389, Bowen and Sher, Chapter 568, Statutes of 2002) requires the California Energy Commission to adopt an **Integrated Energy Policy Report (IEPR)** every two years and an update every other year. The **2004 Update** was adopted by the Energy Commission on November 3, 2004. In the 2004 IEPR Update, the Energy Commission recommended that the state require reporting of greenhouse gas emissions as a condition of state licensing of new electric generation facilities.

The state is on track in implementing these recommendations of the 2004 IEPR Update. Regarding the reporting recommendation, in an Order Instituting Rulemaking, the Energy Commission will consider a requirement for applicants seeking licenses for new generation facilities to include information on the anticipated greenhouse gas emissions from the proposed facility in their filings.

Also, in its recently released Preliminary Assessment of the Los Esteros Critical Energy Facility Phase 2 application, the Energy Commission staff is proposing a condition that would require the owner to report emissions of greenhouse gases from the power plant. The Energy Commission staff is proposing this requirement for all new or amended power plant projects currently under review. Thus while this is a new regulatory scheme and will go through development, it clearly supports Condition of Certification AQ-SC7.

However, staff agrees with RE that Condition AQ-SC7 may be unnecessarily burdensome as currently written. Therefore, staff recommends the following modifications.

AQ-SC7 The project owner shall report to the CPM the quantity ~~quantities~~ of each ~~CO₂ greenhouse gas (GHG)~~ emitted on an quarterly annual basis as a direct result of facility electricity production operation. ~~GHG emissions shall be reported as equivalent CO₂ pounds. The identification of each GHG and the method to estimate CO₂ equivalent emissions shall conform to the California Climate Action Registry General Reporting Protocol for power plants.~~

Verification: ~~GHG~~ CO₂ emissions shall be reported to the CPM as part of the fourth Quarterly Air Quality Reports required by Condition of Certification AQ-SC6.

NEW CONDITION OF CERTIFICATION

Staff proposes to add Condition of Certification AQ-SC13. This Condition allows the Energy Commission CPM to make minor modifications to any Condition without going through the formal amendment process. Staff believes that this Condition will help reduce the number of amendments that the Commissioners must review and approve.

AQ-SC13 The project owner shall comply with all staff (AQ SC) and district (AQ) Conditions of Certification. The CPM, in consultation with the District, may approve any change to a Condition of Certification regarding air quality, as an insignificant change, provided that: (1) the project remains in compliance with all applicable laws, ordinances, regulations, and standards, (2) the requested change clearly will not cause the project to result in a significant environmental impact, (3) no additional mitigation or offsets will be required as a result of the change, (4) no existing daily, quarterly, or annual permit limit will be exceeded as a result of the change, and (5) no increase in any daily, quarterly, or annual permit limit will be necessary as a result of the change.

Verification: The project owner shall notify the CPM in writing of any proposed change to a condition of certification pursuant to this condition and shall provide the CPM with any additional information the CPM requests to substantiate the basis for approval.

**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION
OF THE STATE OF CALIFORNIA**

**APPLICATION FOR CERTIFICATION
FOR THE ROSEVILLE ENERGY PARK
BY THE CITY OF ROSEVILLE**

DOCKET No. 03-AFC-1

**PROOF OF SERVICE LIST
(*REVISED FEBRUARY 9, 2004)**

I, **Evelyn M Johnson** declare that on **December 21, 2004**, I deposited copies of the attached **Air Quality Errata to the Roseville Energy Park**, in the United States mail at **Sacramento, CA** with first class postage thereon fully prepaid and addressed to the following:

DOCKET UNIT

*Send the original signed document plus
the required 12 copies to the address
below:*

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* * * *

*In addition to the documents sent to the
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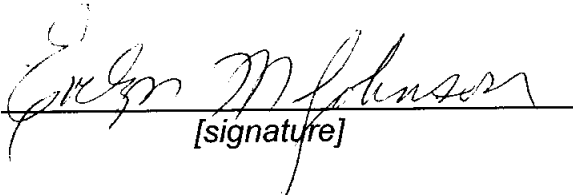
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I declare under penalty of perjury that the foregoing is true and correct.


[signature]

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